

Appendix B-1 The DOE Budget Process

a. Background and Purpose

Program manager must understand the budget process to defend their programs.

Budget development is one of the most important program management functions. Research, development, and demonstration projects cannot proceed without funds, and budget justification and defense are primary program management.

By knowing the budget process and schedule, program managers can defend their programs by anticipating upcoming events, such as questions from House and Senate committees, and respond quickly and appropriately. The major milestones of the budget development process are outlined in this process description.

b. Budget Development Process

Budget development steps:

The Corporate Review Budget. Preparation of the annual Corporate Review Budget (previously called the Internal Review Budget) begins in the spring of the current year. This budget is for the fiscal year that is two years away. That is, preparation begins in the spring of CY 2001 for the FY 2003 budget. The Corporate Review Budget, along with the Key Activity Summary, forms the basis of the program sector and EERE's portion of DOE's budget submission to the Office of Management and Budget (OMB). Details on the content and format of the Corporate Review Budget document are found in Appendix B2.

Program manager gathers input and FWPs from Labs, Field offices.

Prior to developing the first draft of the Corporate Review Budget, program managers gather inputs from appropriate personnel at DOE headquarters, the labs and field offices (Field Work Proposals) as well as internal planning, such as updating the multi-year program plan. Program managers should already have much of this information from the planning process that occurs prior to the Budget Development Process. (See Section 4.2 of this Guide)

Program manager refers to internal planning.

DOE Controller issues call for development of Corporate Review Budget.

The Budget Process begins when the DOE controller issues the call for development of the Corporate Review Budget and guidance for its preparation.

The program managers review their programs and prepare program budgets and Key Activity Summaries based on what the programs seek to accomplish. Useful information for budgeting purposes can come from the programs spend plan history, the existing budget, and the multi-year program plan(s). These budgets are then reviewed by the appropriate Office Directors who direct comments and revisions back to the program managers.

Program manager prepares program budgets and Key Activity Summaries.

The Key Activity Summary is a major part of the overall budget document that is the basis of the budget request. The Key Activity Summary includes program descriptions/explanations, overall objectives and long-term strategic goals, and lists all projects conducted under each program. Program managers develop the upcoming budget year's key activities using the Corporate Review Budget for guidance, or any draft key activities developed for the Corporate Review Budget, the previous fiscal years Key Activity Summary, and planning documents. With each review process of budget, the Key Activity Summary should be updated to reflect any changes.

Sector prepares Corporate Review Budget

Office Directors review Corporate Review Budget

Development of the Key Activity Summary, and the Budget Analysis Review and Reporting System (BARRS) used to coordinate its development, is explained in Appendix B2, *The Corporate Review Budget Document*

Deputy Assistant Secretary reviews Annual Budget.

The overall Sector budget, which includes the program's budget request, is then reviewed by the Deputy Assistant Secretary who may accept the budget or recommend changes. Discussions between the Deputy Assistant Secretary and the Assistant Secretary/EE determine initial funding levels at which the Corporate Review Budget will be developed. Based on the Corporate Review Budget agreed upon by the Assistant Secretary/EE and the sectors' Deputy Assistant Secretary, program managers are usually requested to update their Key Activity Summaries.

Program manager updates Key Activity Summaries

<i>EE reviews sector budget.</i>	DOE Review of Corporate Review Budget. Following the sector review, the budget is sent to the Office of the Assistant Secretary/EE where it is reviewed in the context of the entire EE budget. The Assistant Secretary may recommend changes that are resolved before the budget is forwarded to the Office of the Controller. Program managers may again be asked to update the Key Activity Summaries.
<i>Budget Review Committee reviews EE budget.</i>	The Controller prepares the Program Budget Issue Documents (PBIDs) for the Budget Review Committee. This Committee reviews DOE's budget and may accept, reject, or mark up the EE budget. Individual program managers may be requested to resolve issues raised by the Assistant Secretary's office, the Controller, or the Budget Review Committee during the review process.
<i>Program manager may be asked to resolve issues.</i>	When all comments are resolved, the final DOE agency budget is prepared, approved by the Secretary of Energy, and submitted to OMB.
<i>DOE submits budget to OMB.</i>	OMB Budget Review. OMB reviews the budget in October and November. As part of the process, meetings are held with DOE personnel to discuss the budget request.
<i>OMB reviews DOE budget and returns passbacks.</i>	During this time OMB does mark-ups to the budget and returns their initial allowance ("passback") to DOE. DOE analyzes OMB's allowance and may undertake an appeal process. Any questions or issues raised by OMB must be resolved by DOE during this passback period. Program managers may be required to respond to inquiries raised by OMB in the passback process or provide additional information and justification for the appeal process. The response time for the appeal is usually very brief.
<i>Program manager supports DOE appeal to OMB; response time is short.</i>	
<i>OMB reviews appeal and approves DOE budget.</i>	OMB considers DOE's appeal and informs the Secretary of Energy of the final budget allowance for DOE. Once approved, the DOE budget is consolidated into the overall OMB submission to the President's budget. A more detailed explanation of the OMB Passback Process appears in Appendix B3, "OMB Passback and Appeal."
<i>OMB submits budget to President.</i>	

President submits budget to Congress.

Budget Committees review Presidential Budget.

Concurrent resolution process begins.

Congressional Budget Process. Each February the President submits the budget for the upcoming fiscal year to Congress. Congressional review of the budget will continue from February to September. The Congressional Budget process is organized around a “concurrent resolution on the budget.” This concurrent resolution, passed by both houses of Congress, sets forth various constraints on the Congressional Budget.

Concurrent Resolution on the Budget. The fiscal year begins in October and the budget becomes effective. (If the budget is still not approved by the time the Fiscal Year begins on October 1, the DOE may operate under a “Continuing Resolution” if passed by Congress.) Congress begins formulation of the concurrent resolution when it receives the Presidential budget submission in February. The House and Senate budget committees review the Presidential budget submission and receive formal reports on “views and estimates” on the budget from various other House and Senate committees. The Budget Committees conduct hearings and report the concurrent budget resolution to their respective houses. While this process is designed to secure final approval of the concurrent resolution by April 15, in recent sessions of Congress this target date has not been met.

February to May: Program manager responds to Congressional questions (Q&A process); response time is short.

Authorization and Appropriations Legislation. During the Congressional review process, the relevant House and Senate committees conduct Authorization and Appropriations hearings. Congressional questions on the budget can be expected from February to May, prompted by questions raised during Congressional Review of the budget; responses are prepared by DOE through what is commonly called the Q&A (questions and answers) process. (see Appendix B4)

June to August: Program manager prepares impact and capability statements, as requested by Congress; response time is short.

Requests for Impact and Capability Statements (see Appendix B5) usually occur in June to August, also during Congressional Review of the budget. Program managers prepare answers to Congressional questions and generate impact and capability statements. Turnaround time is usually limited.

An authorization bill authorizes the conduct of an activity by a Government agency and authorizes the appropriation of funds by Congress, but it does not appropriate the funds. Funds cannot be expended without an Appropriations Bill being passed.

For the energy portion of DOE's budget authorization, the committees and subcommittees with legislative authority are:

- House Science Committee Energy and the Environment Subcommittee
- Senate Energy and Natural Resources Committee Energy Research and Development Subcommittee

These committees hold authorization hearings on all major DOE energy programs and report the authorization legislation to their respective houses for approval.

Once approved, the House and Senate versions of the bill are sent to a conference committee for mark-up and resolution. The final version of the authorization bill is then sent back to the full House and Senate floors for approval.

House conducts Authorization Hearings.

Senate conducts Authorization Hearings.

The House and Senate Appropriations Committees have jurisdiction over bills that appropriate revenue for support of the Federal Government. Appropriations bills provide actual funds for agency operations. Bills are structured by agency and function, with each appropriation bill having its own subcommittee. The House and Senate have two identically named subcommittees with legislative authority for the energy portion of DOE appropriations: The Interior and Related Agencies Subcommittee and the Energy and Water Development Subcommittee. These subcommittees hold separate hearings on their respective appropriations bills. The appropriation process is similar to the authorization process. These subcommittees recommend spending levels, by program, to the full Appropriations Committees. The Appropriations bill need not appropriate all the funds authorized under the Authorization legislation.

Each House passes its own Authorization Bill.

Conference committee resolves differences.

Congress passes DOE Authorization Bill.

From the committee hearings and proceedings, House and Senate versions of the bill emerge and are sent to the appropriate Congressional floors for approval. Once approved, the House and Senate versions of the bill are then sent to a Conference Committee for mark-up and resolution. The Conference Committee sends the conference report and the final version of the bill to the House and Senate floors for final approval.

The Budget Development Process ends with Congress passing the DOE Bills and the President signing them by the start of the Fiscal Year on October 1. If the Congressional Budget is not approved in time, the DOE may operate under a continuing resolution, (temporary budget authority enacted by Congress).

c. Budget Timeline

The timeline of events (month-by-month) for the entire Budget Development Process for any given year is managed by the EERE SMS. At any time during the current year, simultaneous development of budgets for the succeeding fiscal years is ongoing. Each of these budgets is at a different stage of development.

d. Additional Resources

Several additional references are available on the Federal Budget and the Congressional Budget processes.

Collender, Stanley, E. *The Guide to the Federal Budget*. Washington, DC: The Urban Institute, annual.

Shuman, Howard E. *Politics and the Budget*. New Jersey: Prentice-Hall Inc., 1992.

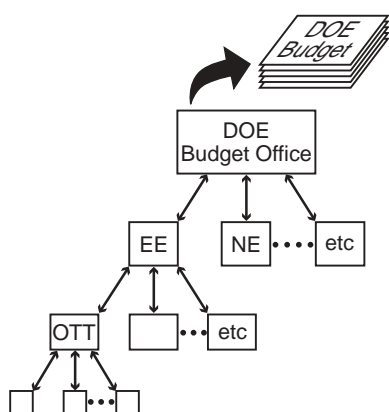
The Congressional Budget Process: An Explanation. Prepared by the Senate Committee on the Budget, Senate Print 100-89. Washington, DC: Government Printing Office, 1988.

Understanding Congressional Budgeting: Budget Handbook, Washington, DC: Congressional Quarterly, Inc., 1993.

Appendix B-2 Corporate Review Budget Document

a. Background and Purpose

DOE prepares a Corporate Review Budget Document to support its budget request. The document has a specified format so that budget information from the several DOE offices can be assembled into a coherent package. Each major program office contributes to the DOE Corporate Review Budget Document. To aid in developing the document, an automated database storage and retrieval system is used: The Budget Analysis Review and Reporting System (BARRS).



For this document, each major program office is required to provide a narrative backup to justify its funding request. The Office of Energy Efficiency and Renewable Energy (EE) provides a narrative backup for each end-use sector program as well as for other related programs. Each Sector with EERE provides the narrative for the budget request. The preparation of the Sector Budget of the DOE Corporate Review Budget is addressed in this section.

b. Preparing the Annual Budget Document

The Sector R&D section of the DOE Corporate Review Budget Document is comprised of narrative sections for each of the Sector's programs, prepared by Sector program staff, and a section on the sector as a whole, prepared by the Office of the Deputy Assistant Secretary. The budget narrative section consists of the following:

- Overview
- Lead Table
- Summary of Changes
- Key Activity Summary

DAS develops Overview, Lead Table, and Summary of Changes.

The Overview, Lead Table, and Summary of Changes sections are usually prepared by the Deputy Assistant Secretary's office. These sections provide summary information on the Sector as a whole and their programs.

Program manager develops Key Activity Summaries.

Program managers are responsible for the Key Activity Summary tables, usually developed in collaboration with the respective Office Directors and Division Directors. The Key Activity Summary provides more detailed information on each program. Sections of the budget document are revised, as the budget evolves, to reflect changes to programs and funding levels as a result of budgetary decisions.

The *Overview* is a narrative describing the Sector and its mission, strategic objectives, programs to support the strategic objectives, and projected accomplishments. Program goals are described in terms of their impact on national issues, such as reducing oil imports, reducing US industrial environmental impacts, strengthening competitiveness.

The *Lead Table* summarizes the operating expenses for all of EERE's key activity areas. It shows the funding amounts for the current year, the next fiscal year request, and the new budget request. It also identifies all authorizing legislation that gives EERE programs operating authority.

The *Summary of Changes* shows differences in funding between the new budget request and the current budget. The table lists each program with funding changes, a short description of the program modifications, and the dollar amount of the adjustment.

c. Preparing the Key Activity Summary

The Key Activity Summary contains the primary information necessary to defend EERE's budget request.

The *Key Activity Summary* is the major part of the Sector's portion of the Corporate Review Budget Document and the primary written justification for each program. It includes program descriptions, overall objectives and long-term strategic goals, and lists all projects conducted under each program. This narrative provides more details on the programs and supports the budget request. For each project in the upcoming budget year, specific accomplishments and goals are listed and linked with the project activity of the previous two years.

Program managers use prior and new planning information to develop the Key Activities Summary.

Program managers develop the upcoming budget year's Key Activity Summary tables using the Corporate Review Budget guidance for planned expenditures of the programs, the previous fiscal years' Key Activity Summary Tables, and multi-year planning documents.

The Key Activity Summary is prepared for each budget line item in the prioritized list of the Key Activities.

Office Directors and Division Directors develop plans for program spending two years prior to actual expenditures, consistent with the budget cycle. These internal planning documents (such as the multi-year program plan) are used to ensure continuity of funding for high priority program areas. **Prior to developing the first draft of the Corporate Review Budget, planners obtain inputs from program managers at DOE headquarters and project managers at the labs and field offices on their planned expenditures.**

At the beginning of the budget development process, Key Activity Summaries of the previous Budget Year are circulated to the program managers (by the Sector's Budget Formulation Specialist) for changes and updates. **Program managers markup the Key Activity Summary to reflect the new budget request.** Descriptions of new starts, if any, are added to the Summaries.

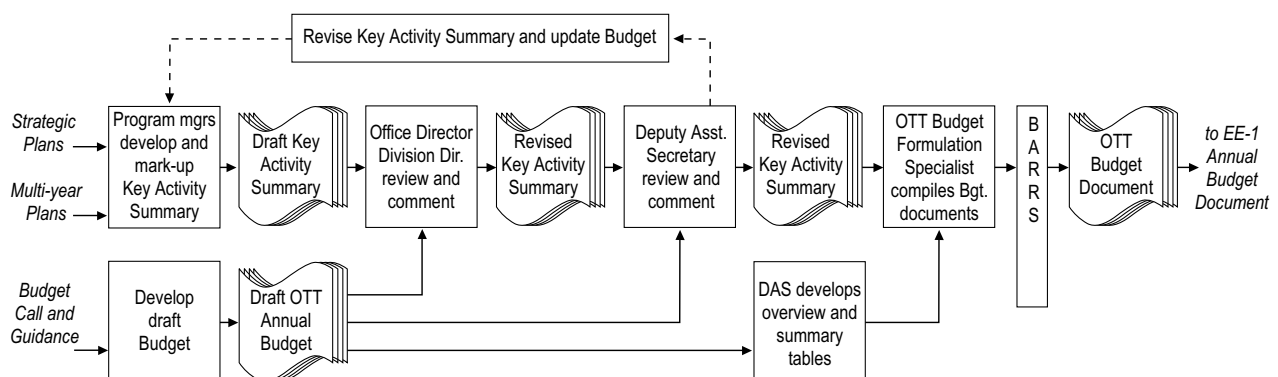
Program managers review Summary mark-ups.

The appropriate Division Director or Office Director reviews the marked-up Key Activity Summary in the context of the Corporate Review Budget, and recommends changes to the program managers. **The program managers make revisions based on these comments.**

DAS reviews Corporate Review Budget and Key Activity Summaries.

The Deputy Assistant Secretary reviews the Corporate Review Budget along with the draft Key Activity Summaries for all of the Sector's programs. **Program managers may be asked to make further revisions.** The marked-up copy of the Key Activity Summary is also sent to the Sector's Budget Formulation Specialist who is responsible for updating the budget document on the BARRS system. Following approval by the Deputy Assistant Secretary, the Budget Formulation Specialist oversees the input of the marked-up Key Activity Summary into BARRS.

Program managers make further revisions to the Summaries.



EE reviews the Sector Budget Document.	The Sector’s budget request (which includes the updated Key Activity Summaries) is sent to the Office of the Assistant Secretary/EE where they are reviewed in the context of all EE Corporate Review Budget Documents.
Program managers help resolve issues raised during high-level reviews.	Individual program managers may be asked to resolve issues raised by the Assistant Secretary’s office, the Controller, or the Budget Review Committee during the review process. With each review budget, the Key Activity Summary is updated to reflect any changes. The Budget Formulation Specialist gives a hard copy of the Key Activity Summary to program managers to mark up for this purpose.
Program managers revise Summaries after each review.	
Key Activity Summaries quantify the budget request.	<p>Content and Format. <i>The Key Activity Summary is the basis for the budget request.</i> Programs and technical goals should be clearly explained in the context of the applicable strategic objectives. The Key Activity Summary should show progress and continuity in programs from year to year.</p> <p>A Key Activity Summary Table for each area is developed that includes:</p> <div><p>Title</p><ul style="list-style-type: none">I. Preface: [Program Name]II. A. Summary Table: [Program Name]II. B. Laboratory and Facility Funding: [Program Name]III. Activity Descriptions (New BA in thousands of dollars)</div> <p>Each Key Activity Summary has a <i>title</i> identifying it as a Department of Energy, Energy Conservation, and applicable, EERE Technology segment document.</p> <p>The <i>Preface</i> provides a narrative description of the specific program, its objectives, and projected accomplishments. It also lists performance goals of the programs along with appropriate measures and expectations (targets) and estimates of the program benefits for a future target year (e.g., 2010).</p>

Funding requirements are included for three fiscal years.

The *Summary Table* lists funding information on each activity of the program. It includes columns for program activity, appropriations for current fiscal year (FY), request for the next fiscal year (FY+1), request for the fiscal year two years hence (FY+2), and percent change in funding between the (FY+2) and the (FY+1) requests.

The *Laboratory and Facilities Funding* table lists funding associated with each laboratory under the program. It includes columns for program activity and funding for the same three fiscal years (FY, FY+1, FY+2) shown in the Summary Table.

The *Activity Descriptions* are brief explanations of all program activities for three consecutive fiscal years (FY, FY+1, FY+2). They also list funding associated with each activity, for each year.

d. The Budget Analysis Review and Reporting System (BARRS)

The BARRS System is used to develop and update the Budget and Key Activity Summaries.

BARRS is an automated database storage and retrieval system specifically designed to assist the management and development of the DOE Annual Budget. It is used to:

- Store and retrieve prior year and baseline budget information
- Track dollars during the budget cycle
- Automatically produce reports, in the correct format, for OMB and Congressional budget submissions.

The overall DOE Corporate Review Budget Request is assembled using input from many office levels so data from each office must be consolidated into a single DOE wide budget document. Using BARRS, each DOE organization or program office establishes its budget structure. BARRS storage, retrieval, and reporting capabilities enable efficient transfer and modification of budget information between program offices and the DOE Budget Office.

To support the development of the DOE budget, the BARRS database includes:

- Dollar amounts and Full Time Equivalents (FTEs) for prior year, current year and budget year(s)
- Unobligated carry over amounts
- Prior and current year comparisons
- House, Senate, and Conference marks
- Current year non-discretionary increases
- Annual Budget, and OMB preliminary allowances, appeals, and final allowances
- Key Activity Summaries.

In addition to standard reports used to support the budget document, BARRS can generate additional reports:

- Field office funding
- Obligations by contractor and location
- Summary of allowances and appeals
- Data dump.

Due to the sensitive nature of the budget data, direct input and retrieval of data from BARRS system is controlled by the Budget Formulation Specialist.

All input and output of BARRS is controlled by the Budget Formulation Specialist. This control is necessary due to the sensitive nature of budget and planning information. It is also to assure that the DOE Budget Office and the program offices are both using the same and latest budget information.

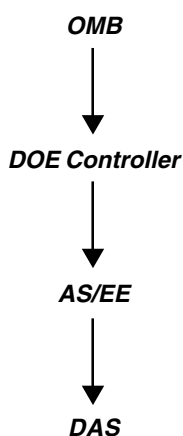
Appendix B-3 OMB Passback and Appeal

a. Background and Purpose

The Office of Management and the Budget (OMB) has a central role in the formulation and execution of the President's budget and is responsible for operating the executive budget system. The OMB supports the President by providing the detailed data necessary for the compilation of a comprehensive annual budget and advising him on budget issues.

OMB Circular No. A-11 gives specific instruction to agencies on compiling formal budget requests.

Initial Budget guidance flow-down



The OMB Budget Process is the process by which all Federal Agencies request funding for their programs. After agencies submit their budget requests to OMB in September, OMB holds hearings and reviews agency requests. OMB also informs agencies of the amount the President will recommend for that agency's budget. OMB drafts the President's budget message and prepares the final budget documents.

The Sector's Annual Budget, along with the Key Activity Summary, forms the basis of the Sector portion of DOE's budget submission to OMB. The major milestones of the OMB review process (passback and appeal process) are outlined in this section.

The Budget Submission to OMB. The DOE Annual Budget document, prepared each spring, is the basis for the budget submission to OMB. In late summer, OMB issues planning targets and policy guidance that DOE uses to adjust its budget submission. EERE program offices adjust their budget submission based on the guidance handed down from OMB, through the DOE Controller, the Assistant Secretary/EE, and the Deputy Assistant Secretary.

Following a review by the Assistant Secretary, the budget submissions undergo a second review by analysts in the DOE Budget Office to determine that they accurately represent the Secretary's decisions and OMB's guidance. The initial DOE Budget Document is submitted to OMB in late September.

OMB budget review steps:

- **OMB receives initial DOE budget submission.**
- **OMB examiners review the individual Sector's portion of DOE budget submission.**
- **Program manager responds to issues raised by OMB examiners and brief senior staff prior to OMB hearings.**
- **OMB Director reviews OMB budget examiners' summaries.**
- **Passback of OMB mark-up to DOE. Appeal process begins.**
- **Secretary selects budget items for appeal.**

DAS and Office Directors develop appeals. Program manager provides supporting information.

- **DOE Budget Office reviews OTT appeal.**
- **Secretary submits Appeal of Passback to OMB.**
- **OMB makes final budget decisions.**
- **OMB consolidates DOE budget into President's budget.**

Appeal is contained in the DOE Appeal of Passback Document.

OMB Budget Review. Once the submissions are received from DOE, they are referred to budget examiners familiar with the programs involved. OMB budget examiners, familiar with EERE programs, review the Sector's portion of the DOE budget submission to identify significant budgetary and programmatic issues that will be discussed with DOE representatives at hearings conducted by OMB. Program managers usually assist DOE management in addressing OMB examiner questions and preparing for OMB hearings. Reviews and hearings on the budget are conducted in October and November.

Following the hearings, the OMB budget examiners prepare a summary of the issues and their recommendations for "director's review." The director's review, closed to agencies, allows OMB principal officials to analyze major issues involving the presidential policy and the budget.

Appeal Process. In late November, OMB marks up the budget and returns to DOE its initial allowance ("passbacks"). DOE analyzes OMB's allowance and undertakes an appeal process.

The DOE Budget Office prepares summary tables of appeal items for the Office of the Secretary. The Office of the Secretary and Assistant Secretary, Management and Administration, review the appeal summaries with the Assistant Secretaries and the DOE Budget Office personnel and decide which items to appeal. Based on directives from the Assistant Secretary/EE, the Deputy Assistant Secretary, and Office and Division Directors collaborate on development of appeals. Program managers may be asked for supporting information for the appeal process.

After a review by the Budget Office, the Appeal of Passback document is transmitted to OMB by the Secretary's office.

OMB considers DOE's appeal and informs the Secretary of Energy of the final budget allowance for DOE. DOE adjusts the budget documents to concur with the OMB final budget allowance. Once approved, the DOE budget is consolidated into the overall OMB submission to the President's budget.

Appeal of Passback Document. The Appeal of Passback document, compiled by DOE, is used to justify the DOE's appeal to the OMB initial passback. For each item that DOE appeals, e.g., Natural Gas Utilization Initiative, the document lists the activity appealed and the associated amounts for the current year appropriations, the baseline funding, the OMB allowance, the difference between the baseline and OMB allowance, and the amount of the appeal and the revised request.

The appeal also includes narrative sections for each contested item on the Summary of Passback, Impact of the Passback, Appeal Description, and Offsetting Reductions.

All items appealed under EE are combined into an EE Summary of Passback Appeal document.

c. Additional Resources

Government published documents are available on the OMB budget process including the OMB Circular No. A-11 on formulating agency budget submissions to OMB.

This page intentionally left blank.

Appendix B-4 Congressional Q&As

a. Background and Purpose

Program manager responses to Congressional questions can affect budgets significantly.

Questions raised during the Congressional review of DOE's budget are an integral part of the Budget Development process. Responses to these questions are prepared through what is commonly called the DOE questions and answer (Q&A) process. Timely, well prepared answers to these Congressional questions can be beneficial to EERE's budget request. Program managers prepare answers to Congressional questions and those responses can significantly affect the funding EERE receives for its programs - effective responses can help preserve funding, while poor responses can jeopardize funding.

Due to the quick response time required, program manager must preplan for the Q&A process.

The questions sent to the Sectors, through DOE and EE from the House and Senate committees, have short lead times and require quick turnaround, so it is essential for program managers to preplan and anticipate the Q&A process.

This section presents an overview of the Q&A process so that program managers will be able to respond quickly and appropriately to questions and be cognizant of the importance and implications of their responses.

b. Congressional Committee Responsibilities

Questions can come from all Congressional Committees and Subcommittees responsible for the program's budget.

Spending agencies justify their portion of the Presidential Budget to the Congressional Committees through Congressional testimony and the Q&A process. Committees and subcommittees that have authorization and appropriation oversight for DOE hold hearings on the DOE budget and request information on specific programs either prior to, or subsequent to, these hearings. Questions may be submitted by the committee, subcommittee, or individual members on those committees. Since each agency bears the principal responsibility for defending its budget to Congress, the Q&A process is an opportunity for DOE to explain its programs and justify its budget request.

Committee questions are usually submitted from February to May during Congressional review of the budget.

During the Congressional review of the budget, the House and Senate conduct Authorization and Appropriations hearings. It is during this time (around February to May) that questions on DOE's budget can be expected from these committees and subcommittees.

Authorization hearings center on the DOE authorization legislation that establishes the substantive mission and direction for the agency. The Authorization Bill specifies the purpose and the recommended level of funding for programs. Questions can come from any or all of the committees with authorization oversight for the each Sector's/Program's portion of the DOE budget.

Appendix B6 "Congressional Committees", gives more information on the particular committees and subcommittees involved in DOE's Budget Process.

In addition to questions from committees with authorization oversight, questions may also originate from committees and subcommittees with appropriation oversight. The appropriation bill for the energy portion of the DOE budget falls under the Interior and Related Agencies Appropriation bill, one of the 13 regular appropriations bills. The Appropriations committees of the House and Senate and their Interior and Related Agencies subcommittees oversee this appropriation bill. An appropriation bill need not appropriate all the money designated under the authorization bill.

c. Planning for Q&As

Because Q&As have such a short lead time and long approval process, program managers must anticipate and plan for the requests. Advanced planning as well as multi-year planning documents (multi-year program plan, fact sheets, etc.) can expedite responsiveness, assure consistency in the information provided to Congress, and minimize disruption to other programs and projects. The Office Directors may develop anticipated questions well in advance of actual requests. Program managers can then thoroughly and effectively answer these questions before they are asked by Congress. The Deputy Assistant Secretary's Office and the Office of the Assistant Secretary may also develop potentially hostile or probing questions to help prepare program managers for the Q&A process. Hostile questions are often phrased in the manner of "What if..." or "Why is DOE..." Q&As from previous budget years are also a good source of information about the kinds of questions Congress poses to the Department.

Program managers must be able to respond to questions quickly.

Program managers should prepare answers to anticipated questions.

Program managers are responsible for answering Congressional questions.

Q&A process steps:

- *Deputy Assistant Secretary receives questions and assigns to Office Directors.*
- *Office Directors review questions and assign them to program managers.*
- *Program manager develops responses to questions.*
- *Office Directors review responses and make comments.*
- *Program manager revises responses based on comments.*
- *Deputy Assistant Secretary reviews and comments on responses.*
- *Program manager revises responses based on comments.*

Responses must not ask for an increase in proposed funding and must not contradict the initial budget request.

d. Responding to Congressional Questions

The Process. Responses to questions received from the Congressional committees are usually developed by program managers and reviewed by the Division Director, Office Director and the Deputy Assistant Secretary.

The Deputy Assistant Secretary receives Congressional committee and subcommittee inquiries specific to the portion of the budget. The inquiries are then passed along to the appropriate Office Directors for action.

Office Directors review the questions and assign them to program managers according to their programmatic responsibilities and the specific questions asked.

Program managers develop responses to questions based on directives and strategies received from the Assistant Secretary and/or the Deputy Assistant Secretary. They may seek input, as necessary, from the field offices and laboratories, their staff, or outside consultants.

Office Directors and Division Directors review the responses prior to submittal to the Deputy Assistant Secretary. They send comments back to the program manager for resolution. **The program managers revise and rework their responses based on the comments.**

The Deputy Assistant Secretary also reviews the responses in the context of the entire Congressional request. **His/her comments are sent back to the Office Directors, and possibly to individual program managers for resolution.**

Responses to questions received before Congressional testimony for the Authorization or Appropriation hearing is given are incorporated into the Deputy Assistant Secretary's briefing book that he/she will use during the hearings. Responses to questions sent to DOE after the Congressional hearings are usually sent to EERE and to the Congressional Committee that initiated the request.

Content. Because DOE responses to Congressional questions can have a significant influence on Congressional Appropriations, it is important to have a strategy for answering them persuasively. The Assistant Secretary and the Deputy Assistant Secretaries may give directives and/or guidance for responding to questions and developing an effective strategy. This strategy is the basis by which to develop all responses for consistency and impact.

Elements of good responses:

- Consistent and does not contradict initial budget request
- Supports previous impact and capability statements
- Remarks on benefits of programs, e.g., efficiency, oil savings, etc.
- Builds on past accomplishments
- Highlights significance to current goals
- Follows strategy developed for answering questions.

“For The Record” Format:
questions and the corresponding answers are stated consecutively—most often used.

“As If Asked” Format:
used for questions intended to appear if they were asked and answered during the Congressional hearing.

Format. Different Congressional committees have different format guidelines for answering their questions and often specify this in the request. There are two basic formats for responses—“for the record” and “as if asked.” In the “for the record” format questions and the corresponding answers are stated consecutively. This format is the most common and most likely format for questions. The “as if asked” format, rarely used, is for questions intended to appear if they were asked and answered during the Congressional hearing.

The format guidelines included with the Congressional questions should be followed. If the format for answers is not specified, these general guidelines should be followed:

- Limit responses to one page when possible
- Type questions directly above each corresponding response
- Include responses to all questions in the same order they were asked
- Use titles (“centerheads”) to identify the subject of question sets
- After a question set, type who prepared the response, including their office and phone number
- Include tables or attachments if necessary to answer the question.

Previous Q&As are available on the network.

f. Additional Resources

Often Congressional questions are similar from year to year so answers from previous years can be a helpful resource for program managers when developing responses to new committee and subcommittee questions.

Previous Q&As on specific topics can be searched by using the **FIND FILES** command in Word Perfect

- Type in exactly the word or phrase you want to search for
- Under the **FILE** menu choose **FIND FILES** to open the dialog box
- Specify what directory or subdirectory to search under
- Choose the box “Search Word Perfect files only”
- Click on **FIND**

The program will search all files, in the directories specified, for the word or phrase. It will then list all the Word Perfect files containing the word or phrase.

Alternatively, the Windows® Quickfind feature can be used to locate specific Q&A files.

This page intentionally left blank.

Appendix B-5 Impact and Capability Statements

a. Background and Purpose

Spending agencies must justify their portion of the Presidential Budget to the Congressional Appropriation Committees and Subcommittees. These committees and subcommittees may request Impact and Capability Statements from the agency for which they have appropriations oversight.

Capability Statements reflect DOE's position on Congressional amendments proposing DOE program and funding increases. Impact Statements are requested to define "What if" scenarios, such as what impact would result from a program budget being reduced or eliminated. These statements are yet another opportunity for DOE to explain its programs and justify its budget request to Congress.

Congressional Committee requests for Impact and Capability Statements have short lead times and require quick response, so it is essential for program managers to develop a strategy for responding to the questions before they are asked.

This section presents an overview of Impact and Capability Statements so that program managers will be able to respond quickly and appropriately to these questions and be cognizant of the importance and implications of their responses.

Due to the quick response time required, program manager should have a strategy for responding to Congressional requests.

b. Developing Impact and Capability Statements

Development and approval of Impact and Capability Statements must be completed within a few days and, because of its formal nature, all steps in the approval process must be completed. The statements are usually developed by program managers and reviewed by the Division Director, Office Director and the Deputy Assistant Secretary. The Assistant Secretary and the Deputy Assistant Secretary may also give directives on preparing these statements. The Office of Management and Budget (OMB) reviews the statements and delivers them to Congress.

Because statements can have a significant influence on Congressional Appropriations, it is important to have a strategy for answering them. Whatever the strategy, certain guidelines should be followed when responding:

- Limit response to one page whenever possible
- Provide basic facts (who, what, where, when, why)
- Be brief without omitting important facts
- Prepare as stand-alone statements not requiring any follow-up

Statement preparation steps:

- ***Deputy Assistant Secretary receives requests and assigns to Office Directors.***
- ***Office Directors review requests and assign them to program manager.***
- ***Program managers develop appropriate Impact or Capability statements.***
- ***Office Directors review statements and make comments.***
- ***Program managers revise statements based on comments.***
- ***Deputy Assistant Secretary reviews and comments on statements.***
- ***Program managers and Office Directors revise statements based on DAS comments.***

The Deputy Assistant Secretary normally receives the requests for Impact and Capability Statements on Sector's programs from the Congressional appropriations committees or responsible subcommittees. Response actions are assigned to the appropriate Office Directors.

Office Directors review the requests and assign them to program managers according to their programmatic responsibilities and the specifics of the request.

Program managers develop the initial Impact or Capability statements based on prior strategies and any direction provided by the Deputy Assistant Secretary, Division Director, or Office Director. Additional information may be sought from their staff, field offices, laboratories, or outside consultants.

Office Directors and Division Directors review the statements before they are submitted to the Deputy Assistant Secretary. Their comments are given to the program managers for resolution. The program managers revise the statements based on these comments.

The Deputy Assistant Secretary then reviews the statements in the context of the overall Sector's program strategy. His comments are returned to the Office Directors, and possibly to the individual program managers as well, for resolution.

The program managers and Office Directors revise the statements based on these comments, and resubmit them for further review.

- **Assistant Secretary/EE reviews and comments on statements.**
- **OMB reviews and comments on statements.**
- **Program revises statements based on OMB comments.**
- **Program’s sector office delivers the final statements to the requesting committee.**

The Assistant Secretary/EE is the next reviewer. Normally, ongoing discussions with the Deputy Assistant Secretary have been sufficient to avoid returning the statements to the program office level for revision. After resolution of any remaining issues, the Assistant Secretary/EE forwards the statements to OMB for review.

Issues raised in the OMB review are usually resolved at the Deputy Assistant Secretary level, although program office involvement is sometimes necessary. When all OMB issues are resolved, the final statements are forwarded to the Congressional committee that initiated the action.

c. Capability Statement Content

Capability Statements reflect DOE’s position on Congressional amendments proposing DOE program and funding changes. The following items should be included in these statements:

- Departmental position
- Current fiscal year program
- Amount budgeted for fiscal year
- Fiscal year budget request/ feasibility
- Capability
- Outlay effects

Departmental Position. This section reflects DOE’s position only and should not include the program description. A statement such as the following should be used: “The FY 1996 Congressional Budget Request of \$XXX,000 for [Key Activity/Subkey Activity] is an appropriate level of funding. DOE believes that the proposed FY 1996 Request is proper and balanced in light of the fiscal budget constraints. Any proposed funding additions will have to be offset by funding reductions elsewhere to maintain the domestic discretionary budget cap imposed by the Budget Enforcement Act of 1990.”

Capability statements cannot be used to seek additional funding.

If specific guidance is not given with the request to develop the Capability Statement, the above statement should be used. Statements *cannot*, under any circumstances, ask for additional funding.

Current FY X Program. This section provides a brief overview of the program. It should contain a statement of the FY funding (e.g., “In FY 1995, [Key activity] is funded at \$XXX,000, of which \$XXX,000 is for [Subkey activity].”) It should also include: a brief description and history of the program/project; total expenditures for the project; results of past projects and anticipated results, benefits, and impacts of ongoing projects; cost sharing arrangements (if applicable), and the other agencies or organizations involved.

Amount Budgeted in FY X+1. The budgeted program amount is specified in this section; e.g., “In FY 2002, [Key Activity] is funded at \$XXX,000, of which \$XXX,000 is for [the proposed amendment].”

FY X+1 Budget Request/Feasibility. This section is a description of the fiscal year program as it pertains to the proposed amendment. If the program is a continuation from the previous fiscal year, new information must be included that is not provided in the “Current Program” section.

Capability. The capability section explains why a project should or should not be funded. It should include: how the funds will be used; the benefits/impacts of the proposed program; efforts currently being undertaken that are similar to the proposed program; any cost sharing, CRADAs or potential leveraging; how the project fits into the “big picture;” and the practicality of implementing the proposed program.

Outlay Effects. Guidance on outlays is usually provided as part of the request for the Capability Statement. In the example, the \$2 million outlay to restore the LBL program is distributed over three fiscal years.

d. Impact Statements

Impact Statements are requested to define “What if” scenarios, such as “What impact would there be if your budget is cut by 10%?” or “What impact would ensue by eliminating a specific part of the program?” The content of an Impact Statement is nearly identical to a Capability Statement. However, since an Impact Statement responds to a possible budget redirection, the defense of the requested budget must be strong. Consequently, the strategy of the response is extremely important.

Program managers should discuss strategies for responding to Impact Statements with the appropriate Office Director. With guidance from the Deputy Assistant Secretary, program managers and Office Directors set specific strategies. Some possible strategies for developing Impact Statements:

- Devise a budget response that will have minimum adverse impact (from the program manager’s viewpoint) on the whole programmatic area. This would keep the key researchers and projects going, possibly at a slightly reduced pace, but a healthy one.
- Devise a budget response that will have maximum impact on the Congressional committees responsible for the program’s budget. This strategy pre-supposes that Congress will restore their favorite projects; however, it has risks. The change may be inadvertently missed by the Congressional staffs, or the climate for the project may quickly change, or OMB (and others) may be sufficiently disturbed by this tactic that other parts of the program may be adversely affected.
- Take equal cuts for all projects and contracts/grants. This strategy is equitable and easy to defend in that all projects get hurt equally. However, it may not keep key programs and researchers. It could result in cutting of personnel and sub-projects in a manner adverse to the overall program.
- Accept OMB guidance, hoping that they see a broader picture and are giving wise counsel.
- Cut whole projects out for the good of the overall program. This is difficult, but is often the best option, depending on the progress on all projects, the quality of work, etc. Elimination of whole projects shows Congress a firm conviction to the remainder of the program.

Obviously, each year and each program must be considered individually. No generic or best solution will cover all cases.

e. Additional Resources

Often Impact and Capability Statements are similar from year to year, so statements from previous years can be a helpful resource for program managers when developing new responses. Referring to previous years responses, gives the statements continuity and consistency, thus increasing their impact.

CAPABILITY STATEMENT

Committee: House Appropriations Subcommittee on Interior and Related Agencies

Source/Date: Honorable Ronald V. Dellums, April 19, 1994

Agency/ Bureau: DOE/ Office of Energy Efficiency and Renewable Energy

Appropriation: Energy Conservation

Activity: Transportation Sector/ Electric and Hybrid Propulsion Development/
Battery Development

Proposed Amendment: Increase Battery Development by \$2,000,000 to a total of \$30,770,000 to restore the reduction in the Electrochemical Exploratory Technology Research program at Lawrence Berkeley Laboratory.

Departmental Position:

The FY 1995 Congressional Budget Request of \$28,770,000 for Battery Development is an appropriate level of funding. DOE believes that the proposed FY 1995 Request is proper and balanced in light of fiscal budget constraints. Any proposed funding additions will have to be offset by funding reductions elsewhere to maintain the discretionary budget cap imposed by the Budget Enforcement Act of 1990.

Current FY 1994 Program:

In FY 1994 Battery Development is funded at \$36,202,000 of which \$4,000,000 is for the Exploratory Technology Research Program. This program is supporting the effort of the United States Advanced Battery Consortium (USABC) to develop ambient temperature lithium/polymer electrolyte batteries by investigating new materials and synthesis methods for producing more stable, higher conductivity polymer electrolytes and more efficient low-cost electrodes. This work is being accomplished by using modeling studies to understand the electrode/electrolyte interface, performing detailed analysis of the materials and components, and studying the thermal properties of polymer electrolytes. A three-dimensional model of heat transfer processes that take place in lithium/polymer electrolyte batteries is being used in designing thermal management systems for electric vehicle-size batteries. The advancement of aqueous battery system technologies is being supported by developing electrolytes and improved nickel oxide electrodes for advanced zinc/nickel oxide batteries. Research has been initiated on promising advanced sodium/polymer electrolyte batteries and thin-film lithium solid state batteries for electric and hybrid vehicle applications.

Amount Budgeted in FY 1995:

In FY 1995, Battery Development is funded at \$28,770,000, of which \$1,820,000 is for the Exploratory Technology Research Program.

FY 1995 Budget/Feasibility:

The FY 1995 Request for the Exploratory Technology Research Program will allow some of the critical exploratory research in support of the efforts in lithium/polymer batteries to continue at Lawrence Berkeley Laboratories. Research into the electrochemical phenomena that limit the performance and service life of lithium polymer batteries will also continue.

Capability:

If the proposed additional funds were appropriated, they could be used to continue to conduct applied research of interest to USABC. The research could address specific materials and component problems currently encountered in the development of advanced rechargeable battery systems for electric vehicles. The renewed support for lithium/polymer batteries could be used to develop new , chemically stable, highly conductive electrolytes and high-capacity, high-efficiency positive electrodes. Research could be conducted on the use of metal oxides with distinctive crystalline structure as efficient, low-cost positive electrode materials. Studies to model the properties of solid polymer electrolytes and to develop a generic, comprehensive model of the electrode/electrolyte interface in lithium/polymer batteries could be continued. New sophisticated analytical techniques to investigate phenomena at the electrode/electrolyte interface in aqueous and nonaqueous batteries to characterize the properties that result in improved performance and longer life could be examined. The development of new, high-density positive electrodes for solid/polymer batteries could also be continued.

Outlay Effects: \$600,000, FY 1995; \$1,100,000, FY 1996; \$300,000, FY 1997

Amendment Proposed By: Honorable Ronald V. Dellums, Member of Congress

IMPACT STATEMENT

Committee: Senate Appropriations Subcommittee on Interior and Related Agencies
 Source: House Appropriations Subcommittee on Interior and Related Agencies Markup
 Date: June 24, 1993
 Agency/ Bureau: DOE/ Office of Energy Efficiency and Renewable Energy
 Appropriation: Energy Conservation
 Activity: Transportation Sector/ Electric and Hybrid Propulsion Development/ Battery Development
 Proposed Amendment: Decrease the FY 1994 funding for a railroad-based fuel cell by \$1,500,000 from \$3,000,000 to \$1,500,000.

Departmental Position:

Initial studies have identified the locomotive as an excellent entry market for fuel cells in heavy duty transportation applications. The FY 1994 Congressional Budget Request of \$3,000,000 initiates a fuel alliance consisting of major railroad companies, State and local organizations, fuelsuppliers, and other interested parties to evaluate, develop, and demonstrate a fuel cell system for locomotive propulsion. The benefits include energy savings, fuel flexibility, fuel efficiency, modularity and packaging flexibility, commonality with current locomotive drivetrains, and emission and noise reductions.

Current FY 1993 Program:

In FY 1993, \$11,898,000 was appropriated for continuing research and development of fuel cells for transportation applications. In Phase I of the fuel cell/ battery bus program, two developers demonstrated proof-of-flexibility by fabricating a half-size fuel cell/ battery power source that is needed for an urban bus. Phase II includes the design, fabrication, and testing of three fuel cell powered, 30-foot buses. The first bus will be completed in FY 1993, and the remaining two buses delivered in FY 1995. H-Power Corporation, the prime contractor for the fuel cell bus program, is cost sharing at 26 percent. Other sponsors of this program are the Federal Transit Administration and the South Coast Air Quality Management District. The proton exchange member light-duty fuel cell program is cost shared at 20 percent with General Motors, the prime contractor. In FY 1993, a 10-kW baseline breadboard system is being built and evaluated along with the technology development program. Phase I of a 20 percent cost-shared program with Arthur D. Little, Incorporated, to design a multifuel reformer and a hydrogen storage system is completed. Phase II to build a 10-kW multifuel reformer and a 1-kg hydrogen storage system has been initiated. The Illinois Department of Energy and Natural Resources plans to co-fund the development of a 10-W ethanol reformer. Los Alamos National Laboratory is conducting core research in FY 1993 to reduce costs and improve proton exchange member fuel cell performance. A competitive procurement for a direct hydrogen-fueled fuel cell power system has been initiated and a contract will be awarded early in FY 1994. The Department also completed the formulation of a National Program Plan for fuel cells in transportation in cooperation with industry.

Amount Budgeted in FY 1994:

The Congressional Budget Request for In FY 1994, includes \$18,000,000 for fuel cell development, of which \$3,000,000 is for the railroad locomotive fuel cell program.

FY 1995 Budget/Feasibility:

The FY 1994 budget request of \$18,000,00 provide for the continuation of the development and demonstration of fuel cells for transportation in the areas of light-duty vehicle applications, heavy-duty vehicle applications, research & development, and supporting analyses. This includes ongoing programs on alternative-fueled passenger car and bus applications, and initiates new programs on direct hydrogen fuel cells for passenger cars and fuel cell-powered locomotive development in response to mandates of the Energy Policy Act of 1992.

Impact:

The proposed reduction will have a limiting effect on timing of the initial work that can be undertaken on the development of a fuel cell-powered locomotive. Design studies planned for FY 1994 would have to stretched out, and work through the planned FY 1999 demonstration of a prototype fuel cell locomotive would be delayed accordingly.

Outlay Effects:

The reduction of \$1,500,000 in the FY 1994 budget would decrease the estimated FY 1994 outlays by \$825,000; FY 1995 outlays by \$450,000; and FY 1996 outlays by \$225,000.

Amendment Proposed By: Honorable Ronald V. Dellums, Member of Congress

This page intentionally left blank.

Appendix B-6 Congressional Committees

a. Background and Purpose

Congress plays a key role in the approval of DOE program funding. The Congressional budget process starts with the receipt of the President's budget request and ends with passage of the final appropriations bills (unless a Presidential veto ensues). Congressional committees with jurisdiction over EERE's budget have a major effect on specific programs and funding levels. Authorization committees exert programmatic oversight and recommend funding levels. Appropriations committees set the final budgets.

b. Restrictions on Communication with Congress

Program manager and other Federal employees are forbidden by law to lobby Congress or OMB.

There is temptation to contact Congressional members and staff directly to solicit support for individual programs. Unfortunately, program managers and other staff who contact members of Congress and their staffs to solicit support are directly violating the 1913 Anti-Lobbying Act which prohibits Federal employees or agencies from influencing members of Congress. Direct contact with the Office of Management and Budget (OMB) for the purpose of influencing budgets is similarly forbidden. While non-Government citizens and stakeholders are able to directly lobby Congress, the program manager must resist the temptation to direct these individuals to lobby for any DOE programs.

Program manager shall not direct stakeholders to lobby Congress.

Direct contact for purposes of lobbying or influencing members of Congress, their staffs, and OMB is forbidden by law and violation will result in formal reprimand. Contact that violates the civil anti-lobbying law can result in penalties including fine and jail. In addition to the civil penalties, violation of the anti-lobbying law constitutes misconduct and may provide grounds for termination of employment.

To avoid difficulties with violation of anti-lobbying laws, EERE has set up procedures to ensure that information flows through the appropriate channels.

Program managers must follow DOE procedures for all communications with Congress or OMB.

The specific routing steps required for various Congressional communications are detailed in of this guide. However, all communication with members of Congress, their staff, and OMB must, at a minimum, be routed through the Deputy Assistant Secretary (DAS) and the Congressional and Intergovernmental Affairs Office (CI-1) for authorization related actions or through the Office of Chief Financial Officer (CR-1) for appropriation related actions.

While direct communication below the DAS level is not allowed, it is important that the program manager know which committees and subcommittees have budgetary jurisdiction for their program. It is also important to know who the key members are and what their interest and past support have been. This information can provide useful insight when responding to Congressional inquiries such as committee questions, Capability Statements, and Impact Statements.

Authorization committees recommend funding levels.

Congressional legislation and committees fall into two general categories: authorization and appropriations. The Authorization committees provide the technical and programmatic oversight and legislative responsibilities for agencies and programs within their jurisdiction. Legislation that emerges from these committees provides program oversight and funding authorization but *does not dictate the actual final funding level*.

Appropriations committees set actual funding levels.

The Appropriations committees are responsible for producing legislation that provides the funds for supporting Government programs. They are also responsible for rescission and reprogramming funds.

It is important to understand that final program funding is determined by the appropriations legislation and that funds specified in authorization legislation are not necessarily funded at the same levels (or at all).

c. Additional Resources

For answers to questions or to provide updated information regarding this House and Senate Sub-Committees guidebook section, contact the process guidebook owner for this section.

The Congressional Budget Process: An Explanation. Prepared by the Senate Committee on the Budget, Senate Print 100-89. Washington, DC: Government Printing Office, 1988.

Understanding Congressional Budgeting: Budget Handbook,
Washington DC: Congressional Quarterly, Inc., 1993.

Committee/Sub-Committee Listing and Members

- House - Clerk of the House: (202) 225-7000
- Senate - Secretary of the Senate: (202) 224-2115

Who's Who in Congress, Including Committees and Key Staff

Congressional Yellow Book, Monitor Publishing Co., Suite 925, 1301
Pennsylvania Avenue, N.W., Washington, D.C. 20004,
(202) 347-7757